

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF MRC PERMIAN COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24613

NOTICE OF AMENDED EXHIBIT

MRC Permian Company, applicant in the above-referenced case, gives notice that it is re-filing the exhibits for this matter to include a revised **Exhibit C-3** summary of interests.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
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Santa Fe, New Mexico 87504-2208
(505) 988-4421
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ATTORNEYS FOR MRC PERMIAN COMPANY

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JULY 25, 2024**

CASE NO. 24613

K. STEWART FED COM 135H WELL

LEA COUNTY, NEW MEXICO



**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF MRC PERMIAN COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24613

**HEARING PACKAGE
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 - MRC Exhibit C-2: Tract Map
 - MRC Exhibit C-3: Summary of Interests
 - MRC Exhibit C-4: Sample Well Proposal Letter & AFEs
 - MRC Exhibit C-5: Chronology of Contacts
- **MRC Exhibit D:** Affidavit of Blake Herber, Geologist
 - MRC Exhibit D-1: Locator Map
 - MRC Exhibit D-2: Subsea Structure Map
 - MRC Exhibit D-3: Structural Cross Section
- **MRC Exhibit E:** Self-Affirmed Statement of Notice
- **MRC Exhibit F:** Affidavit of Publication

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 24613	APPLICANT'S RESPONSE
Date: July 25, 2024	
Applicant	MRC Permian Company
Designated Operator & OGRID (affiliation if applicable)	Matador Production Company [OGRID 228937]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	K. Stewart
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	WC-025 G-08 S2535240; Bone Spring (97088)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	960-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	South-North
Description: TRS/County	W2 of Sections 20, 29 and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes, E2W2 of Sections 20, 29 and 32, T24S, R36E
Proximity Defining Well: if yes, description	K. Stewart Fed Com 135H well
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico


Exhibit No. A

Submitted by: Matador Production Company

Hearing Date: July 25, 2024

Case No. 24613

Well #1	K. Stewart Fed Com 135H (API No. pending) SHL: 450' FSL & 1563' FWL (Unit N) of Sec. 32, T24S, R36E BHL: 110' FNL & 1310' FWL (Unit D) of Sec. 20, T24S, R36E Completion Target: Bone Spring formation Well Orientation: South-North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibits C-2 and C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	Exhibit C-5
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D
Release for Drilling:	Exhibit D

HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibits C-1, D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	18-Jul-24

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF MRC PERMIAN COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24613

APPLICATION

MRC Permian Company (“MRC” or “Applicant”), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in a standard 960-acre, more or less, horizontal well spacing unit in the Bone Spring formation comprised of the W/2 of Sections 20, 29, and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. In support of its application, MRC states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to designate Matador Production Company (OGRID No. 228937) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **K. Stewart Fed Com #135H** well, to be horizontally drilled from a surface location in the S/2 SW/4 of Section 32, with a first take point in the SW/4 SW/4 (Unit M) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 20.
4. The completed interval of the **K. Stewart Fed Com #135H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Matador Production Company
Hearing Date: July 25, 2024
Case No. 24613**

these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.


6. The pooling of this horizontal well spacing unit will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the proposed horizontal well spacing unit;
- B. Designating Matador Production Company as operator of this horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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pmvance@hollandhart.com

ATTORNEYS FOR MRC PERMIAN COMPANY

CASE _____ : **Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling a standard 960-acre, more or less, horizontal well spacing unit in the Bone Spring formation comprised of the W/2 of Sections 20, 29, and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **K. Stewart Fed Com #135H** well, to be horizontally drilled from a surface location in the S/2 SW/4 of Section 32, with a first take point in the SW/4 SW/4 (Unit M) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 20. The completed interval of the **K. Stewart Fed Com #135H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 7 miles northwest of Jal, New Mexico.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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**APPLICATION OF MRC PERMIAN COMPANY
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CASE NO. 24613

SELF-AFFIRMED STATEMENT OF DAVID JOHNS

David Johns, of lawful age and being first duly sworn, declares as follows:

1. My name is David Johns. I work for MRC Energy Company, an affiliate of MRC Permian Company (“MRC”) as a Senior Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters.
3. I am familiar with the application filed by MRC in this case, and am familiar with the status of the lands in the subject area.
4. In this case, MRC is seeking an order pooling all uncommitted interests in the Bone Spring formation in the standard 960-acre, more or less, horizontal well spacing unit in the Bone Spring formation underlying the W/2 of Sections 20, 29, and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, and initially dedicate this Bone Spring spacing unit to the proposed **K. Stewart Fed Com #135H** well to be horizontally drilled from a surface hole location in the S/2 SW/4 of Section 32, T24S-R36E with a first take point in the SW/4 SW/4 of Section 32, T24S-R36E and a last take point in the NW/4 NW/4 of Section 20, T24S-R36E. The completed interval of the K. Stewart Fed Com #135H is expected to remain within 330 feet of the adjoining quarter-quarter sections (or equivalent) tracts to all allow inclusion

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Matador Production Company
Hearing Date: July 25, 2024
Case No. 24613**

of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

5. MRC understands this well will be placed in the WC-025 G-08 S253524O; Bone Spring [97088] pool.

6. **MRC Exhibit C-1** contains the draft Form C-102 for the proposed well.

7. The completed intervals for the proposed well will remain within the standard setbacks required by the statewide rules set forth in 19.15.16.15 NMAC.

8. **MRC Exhibit C-2** identifies the tracts of land comprising the proposed horizontal spacing units. The land in the proposed spacing unit is comprised of fee and federal lands.

9. **MRC Exhibit C-3** identifies for the working interest owners that MRC is seeking to pool along with their respective ownership interest in the proposed horizontal spacing unit. MRC Exhibit C-3 also identifies the overriding royalty owners that MRC seeks to pool in this case.

10. There are no depth severances within the Bone Spring formation for this acreage.

11. While MRC was working to put this unit together, MRC proposed the above well to each of the working interest parties it seeks to pool. **MRC Exhibit C-4** contains a sample well proposal letter that was sent to those parties, along with the AFE sent to working interest owners. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

12. **MRC Exhibit C-5** contains a summary chronology of MRC's contacts and attempted contacts with the uncommitted working interest owners. In addition to sending the well proposal letters, MRC has attempted to call or email each of the uncommitted working interest owners for whom MRC has been able to find contact information. In my opinion, MRC has

undertaken good faith efforts to reach an agreement with the uncommitted working interest owners that MRC seeks to pool in this case.

13. MRC has made an estimate of overhead and administrative costs for drilling and producing the proposed well. It is \$8,000/month while drilling, and \$800/month while producing. These costs are consistent with what other operators are charging in this area for these types of wells. MRC respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

14. I provided MRC's outside counsel, Holland & Hart, a list of names and addresses for the parties that MRC is seeking to pool. In compiling this notice list, MRC conducted a diligent search of all public records in the county where the proposed wells are located, including computer searches.

15. **MRC Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

16. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



David Johns



Date

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3450 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
97088	WC-025608	52535240; Bone Spring
⁴ Property Code	⁵ Property Name	⁶ Well Number
	KEN STEWART FED COM	135H
⁷ GRID No	⁸ Operator Name	⁹ Elevation
228937	MATADOR PRODUCTION COMPANY	3244'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	32	24-S	36-E	-	450'	SOUTH	1563'	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	24-S	36-E	-	110'	NORTH	1310'	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
960			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

**NEW MEXICO EAST
NAD 1983**

SURFACE LOCATION (SHL)
450' FSL - SEC. 32
1563' FWL - SEC. 32
X=864036 Y=426389
LAT: N 32.167928
LONG: W 103.2904514

KICK OFF POINT (KOP)
50' FSL - SEC. 32
1310' FWL - SEC. 32
X=863789 Y=425987
LAT: N 32.1668240
LONG: W 103.2912654

FIRST PERFORATION POINT (FPP)
100' FSL - SEC. 32
1310' FWL - SEC. 32
X=863787 Y=426037
LAT: N 32.1668614
LONG: W 103.2912658

BLM PERF. POINT (BPP1)
0' FNL - SEC. 32
1308' FWL - SEC. 32
X=863729 Y=431216
LAT: N 32.1811975
LONG: W 103.2913099

BLM PERF. POINT (BPP2)
1320' FSL - SEC. 29
1308' FWL - SEC. 29
X=863707 Y=432536
LAT: N 32.1848265
LONG: W 103.2913212

BLM PERF. POINT (BPP3)
1320' FNL - SEC. 29
1309' FWL - SEC. 29
X=863674 Y=435176
LAT: N 32.1920834
LONG: W 103.2913437

BLM PERF. POINT (BPP4)
0' FNL - SEC. 29
1309' FWL - SEC. 29
X=863658 Y=435456
LAT: N 32.1957109
LONG: W 103.2913549

BLM PERF. POINT (BPP5)
1309' FSL - SEC. 20
1309' FWL - SEC. 20
X=863642 Y=437804
LAT: N 32.1993080
LONG: W 103.2913661

BLM PERF. POINT (BPP6)
2640' FNL - SEC. 20
1309' FWL - SEC. 20
X=863626 Y=439136
LAT: N 32.2026666
LONG: W 103.2913774

LAST PERFORATION POINT (LPP)
BOTTOM HOLE LOCATION (BHL)
110' FNL - SEC. 20
1310' FWL - SEC. 20
X=863594 Y=441666
LAT: N 32.2099224
LONG: W 103.2913988

¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

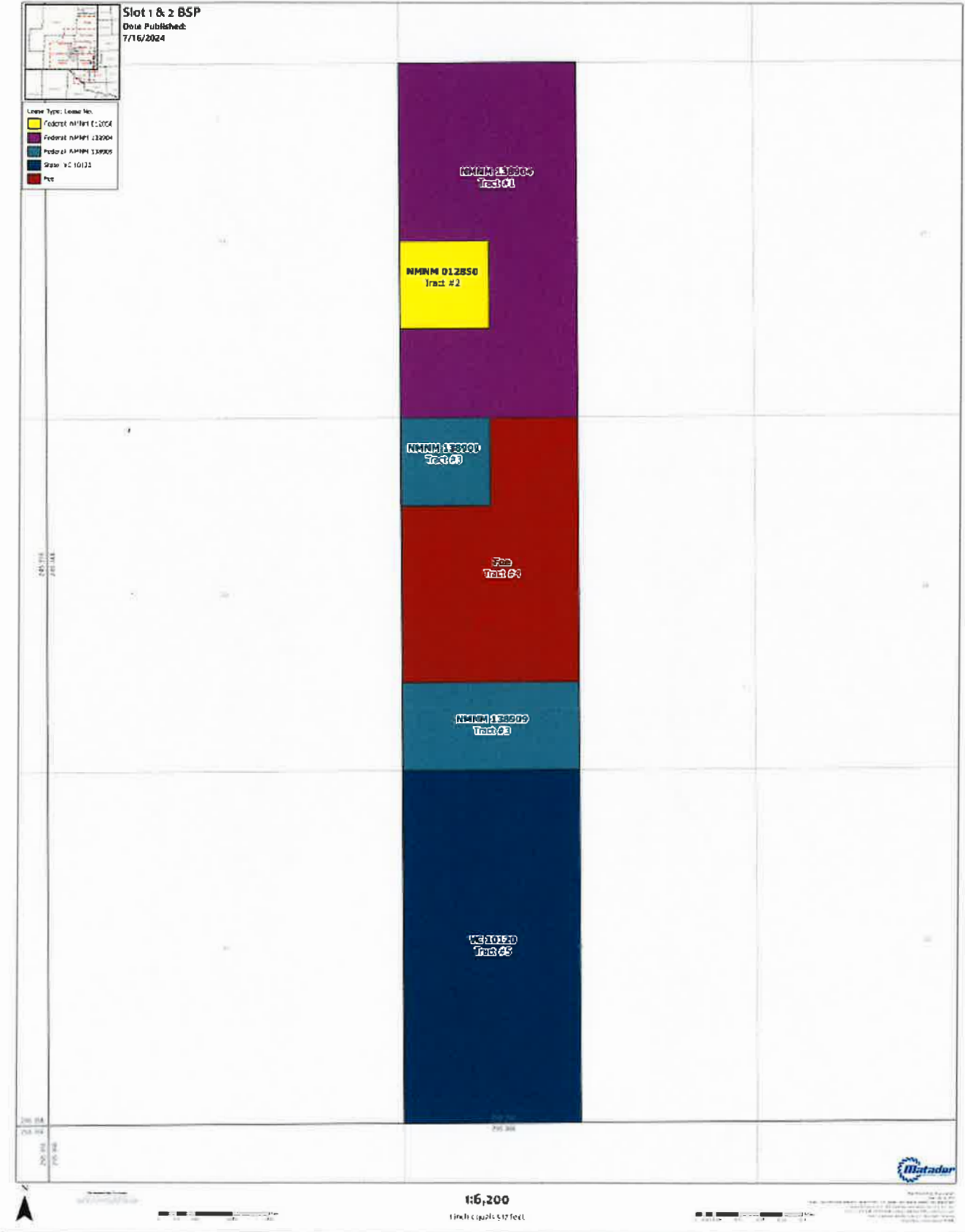
06/08/2024

Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number _____

**NEW MEXICO EAST
NAD 1927**

SURFACE LOCATION (SHL) X=822849 Y=426330 LAT: N 32.1677968 LONG: W 103.2906676	KICK OFF POINT (KOP) X=822801 Y=425926 LAT: N 32.1666970 LONG: W 103.2908916
FIRST PERFORATION POINT (FPP) X=822600 Y=431157 LAT: N 32.1860348 LONG: W 103.2908030	BLM PERF. POINT (BPP1) X=822537 Y=431157 LAT: N 32.1810765 LONG: W 103.2908455
BLM PERF. POINT (BPP2) X=822321 Y=433477 LAT: N 32.1846097 LONG: W 103.2908566	BLM PERF. POINT (BPP3) X=822485 Y=435117 LAT: N 32.1919566 LONG: W 103.2908788
BLM PERF. POINT (BPP4) X=822472 Y=436437 LAT: N 32.1955841 LONG: W 103.2909498	BLM PERF. POINT (BPP5) X=822456 Y=437745 LAT: N 32.1991812 LONG: W 103.2909007
BLM PERF. POINT (BPP6) X=822428 Y=439077 LAT: N 32.203418 LONG: W 103.2909119	LAST PERFORATION POINT (LPP) X=822408 Y=441607 LAT: N 32.2097866 LONG: W 103.2909331



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C-2
 Submitted by: Matador Production Company
 Hearing Date: July 25, 2024
 Case No. 24613

K. Stewart W2 (BSP)			
Summary of Interests			
Matador Working Interest		89.7822%	
Voluntary Joinder		0.0000%	
Anticipated Voluntary Joinder		7.6389%	
Compulsory Pool Interest		2.5789%	
Interest Owners:	Description:	Tract:	Interest:
Wellbark Resources LLC*	Uncommitted WI Owner	4	1.7360%
Royalty Holding Co.*	Unleased MI Owner	4	0.6510%
The Roy D. Benningfield Family Revocable Trust dtd 9/16/1996*	Unleased MI Owner	4	0.0465%
Afton Lee Gille*	Unleased MI Owner	4	0.0465%
Billy G. Morris*	Unleased MI Owner	4	0.0058%
Heirs of Jewel Don Bray*	Unleased MI Owner	4	0.0465%
Heirs of Charles Bray*	Unleased MI Owner	4	0.0465%
Jimmie Eden Jr. Trust	ORRI	2	-
John F. Special	ORRI	2	-
Justin T. Crum	ORRI	2	-
Larry Bond Living Trust dtd 5/14/2015	ORRI	2	-
Legat LLC	ORRI	2	-
LuAnn Youngman	ORRI	2	-
Marjam Energy LLC	ORRI	2	-
Milagro Resources LP	ORRI	2	-
MLE LLC	ORRI	2	-
Mountain Lion Oil & Gas LLC	ORRI	2	-
Penasco Petroleum LLC	ORRI	2	-
Richard C. Deason	ORRI	2	-
Rolla R. Hinkle, III	ORRI	2	-
SAP LLC	ORRI	2	-
The Lisa M. Enfield Trust dtd 1/23/2015	ORRI	2	-
The McDaniel Company Inc	ORRI	2	-
The Robert N. Enfield Irrevocable Trust B	ORRI	2	-
The Ronald H. Mayer & Martha M. Mayer Revocable Trust dtd 3/19/1990	ORRI	2	-
Thomas D. Deason	ORRI	2	-

*These are the uncommitted working interest owners that we are seeking to force pool.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Amended Exhibit No. C-3
Submitted by: Matador Production Company
Hearing Date: July 25, 2024
Case No. 24613

MRC Permian Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240

Voice 972.619.1259 • Fax 214.866.4946

djohns@matadorresources.com

David Johns
Senior Staff Landman

May 7, 2024

VIA CERTIFIED RETURN RECEIPT MAIL

Billy G. Morris Billy G. Morris
1041 Black Champ Rd.
Waxahachie, TX 75167

Re: K. Stewart Fed Com #135H, #211H & #212H (the "Wells")
Participation Proposal
Section 32, 29, & 20, Township 24 South, Range 36 East
Lea County, New Mexico

Dear Sir/Madam:

MRC Permian Company ("MRC") proposes the drilling of Matador Production Company's K. Stewart Fed Com #135H, K. Stewart Fed Com #211H & K. Stewart #212H wells, located in 32, 29, & 20, Township 24 South, Range 36 East, Lea County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each Well is itemized on the three (3) enclosed Authority for Expenditures ("AFE") dated April 23, 2024.
- **K. Stewart Fed Com #135H:** to be drilled from a legal location with a proposed surface hole location located in the S2 SW4 of Section 32-24S, 36E, a proposed first take point located at 100' FSL and 1310' FWL of Section 32-24S-36E and a proposed last take point located at 110' FNL and 1310' FWL of Section 20-24S-36E. The Well will have a targeted interval within the Bone Spring formation and will be drilled horizontally in the Bone Spring (~ 11,500'TVD) to a Measured Depth of approximately 26,927'.
- **K. Stewart Fed Com #211H:** to be drilled from a legal location with a proposed surface hole location located in the S2 SW4 of Section 32-24S, 36E, a proposed first take point located at 100' FSL and 330' FWL of Section 32-24S-36E and a proposed last take point located at 110' FNL and 330' FWL of Section 20-24S-36E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~ 11,600'TVD) to a Measured Depth of approximately 27,027'.
- **K. Stewart Fed Com #212H:** to be drilled from a legal location with a proposed surface hole location located in the S2 SW4 of Section 32-24S, 36E, a proposed first take point located at 100' FSL and 2310' FWL of Section 32-24S-36E and a proposed last take point located at 110' FNL and 2310' FWL of Section 20-24S-36E. The Well will have a targeted interval within the Wolfcamp formation and will be drilled horizontally in the Wolfcamp (~ 11,600'TVD) to a Measured Depth of approximately 27,027'.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4

Submitted by: Matador Production Company
Hearing Date: July 25, 2024
Case No. 24613

MRC reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. MRC will advise you of any such modifications. MRC requests that you indicate your election to participate in the drilling and completion of the Wells in the space provided below, sign and return one (1) copy of this letter to the undersigned.

MRC is proposing to drill the Wells under the terms of the modified 1989 AAPL form of Operating Agreement, which is enclosed for your review. The proposed Operating Agreement dated May 1, 2024, by and between Matador Production Company, as Operator and MRC Permian Company et al as Non-Operators, covers certain depths in the W/2 of Sections 32, 29, & 20, Township 24 South, Range 36, Eddy County, Lea Mexico, and has the following general provisions:

- 100/300/300 Non-consenting penalty
- \$8,000/\$800 Drilling and Producing rate
- Matador Production Company named as Operator

If your election is to participate in the drilling and completion of the Wells, please sign and return a copy of the enclosed AFEs within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. Please contact me if you have any questions.

Sincerely,

MRC PERMIAN COMPANY



David Johns

Billy G. Morrishereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **K. Stewart Fed Com #135H** well.
 _____ Not to participate in the **K. Stewart Fed Com #135H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **K. Stewart Fed Com #211H** well.
 _____ Not to participate in the **K. Stewart Fed Com #211H**.

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Matador Production Company's **K. Stewart Fed Com #212H** well.
 _____ Not to participate in the **K. Stewart Fed Com #212H**.

Billy G. Morris

By: _____

Title: _____

Date: _____

Contact Number: _____

MATADOR PRODUCTION COMPANY

ONE LINCOLN CENTRE • 5400 LBJ FREEWAY • SUITE 1500 • DALLAS, TEXAS 75240

Phone (972) 371-5200 • Fax (972) 371-5201

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

Table with well details: DATE: April 23, 2024; WELL NAME: K. Stewart Fed Com 135H; LOCATION: Sections 32, 29, & 20-24S-36E; COUNTY/STATE: Lea, NM; MRC WI: ; GEOLOGIC TARGET: Third Bone Spring Sand; REMARKS: Drill and complete a horizontal 3 mile long Third Bone Spring sand target with about 60 frac stages.

Table with 5 columns: INTANGIBLE COSTS, DRILLING COSTS, COMPLETION COSTS, PRODUCTION COSTS, FACILITY COSTS, TOTAL COSTS. Lists various cost items like Land / Legal / Regulatory, Drilling, Completion, Production, and Facility costs.

Table with 5 columns: TANGIBLE COSTS, DRILLING COSTS, COMPLETION COSTS, PRODUCTION COSTS, FACILITY COSTS, TOTAL COSTS. Lists various cost items like Surface Casing, Intermediate Casing, Drilling Liner, Production Casing, Production Liner, Tubing, Wellhead, Packers, Liner Hangers, Tanks, Production Vessels, Flow Lines, Rod string, Artificial Lift Equipment, Compressor, Installation Costs, Surface Pumps, Non-controllable Surface, Non-controllable Downhole, Downhole Pumps, Measurement & Meter Installation, Gas Conditioning / Dehydration, Interconnecting Facility Piping, Gathering / Bulk Lines, Valves, Dumps, Controllers, Tank / Facility Containment, Flare Stack, Electrical / Grounding, Communications / SCADA, Instrumentation / Safety.

PREPARED BY MATADOR PRODUCTION COMPANY:

Table with personnel information: Drilling Engineer: Perry Hawks; Completions Engineer: Garrett Hunt; Production Engineer: Jan Fredrik Mosnes; Team Lead - WTX/NM; CSC.

MATADOR RESOURCES COMPANY APPROVAL:

Table with approval signatures: Executive VP, COO/CFO (DEL); Executive VP, Legal (CA); President (MVH); EVP COO- Drilling, Completion and Production (BG); SVP Geoscience (ELF).

NON OPERATING PARTNER APPROVAL:

Table for non-operating partner approval: Company Name, Working Interest (%), Tax ID, Signed by, Date, Title, Approval (Yes/No).

The terms of this AFE are incorporated by reference into all contracts for the completion of this well. All drilling activities shall be performed in accordance with the AFE. The Participant agrees to pay the non-operating share of all costs incurred, including...

Summary of Communications K. Stewart W2 (BSP)

Uncommitted Working Interest Owner

1. Gulf Coast Western LLC

In addition to sending well proposals, Matador has had discussions with **Gulf Coast Western LLC** regarding their interest and we are continuing to discuss voluntary joinder.

2. Royalty Holding Corp.

In addition to sending well proposals, Matador has had discussions with **Royalty Holding Corp.** regarding their interest and we are continuing to discuss voluntary joinder.

3. Afton Lee Gille

In addition to sending well proposals, Matador has had discussions with **Afton Lee Gille** regarding their interest and we are continuing to discuss voluntary joinder.

4. The Roy D. Benningfield Family Revocable Trust dtd 9/16/1996

In addition to sending well proposals, Matador has tried to contact **The Roy D. Benningfield Family Revocable Trust dtd 9/16/1996** through various means of contact to discuss voluntary joinder but have not been able to connect. We are continuing to research various contact numbers.

5. Billy G. Morris

In addition to sending well proposals, Matador has tried to contact **Billy G. Morris** through various means of contact to discuss voluntary joinder but have not been able to connect. We are continuing to research various contact numbers.

6. Wellbark Resources LLC

In addition to sending well proposals, Matador has had discussions with **Wellbark Resources LLC** regarding their interest and we are continuing to discuss voluntary joinder.

7. Heirs of Jewel Don Bray

In addition to sending well proposals, Matador has been working to determine the heirship of Jewel Don Bray and discuss voluntary joinder with all the heirs.

8. Heirs of Charles Bray

In addition to sending well proposals, Matador has been working to determine the heirship of Charles Bray and discuss voluntary joinder with all the heirs.

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF MRC PERMIAN
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 24613

AFFIDAVIT OF BLAKE HERBER

Blake Herber, of lawful age and being first duly sworn, declares as follows:

1. My name is Blake Herber. I work for MRC Energy Company, an affiliate of Matador Production Company (“Matador”), as a Senior Staff Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by MRC in this case, and I have conducted a geologic study of the lands in the subject area.
4. **MRC Exhibit D-1** is a locator map outlining the horizontal spacing unit with a black box shaded in yellow, with the larger area identified in a red box.
5. In this case, MRC intends to develop the Third Bone Spring of the Bone Spring formation.
6. **MRC Exhibit D-2** is a subsea structure map prepared off the top of the Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring formation gently dipping to the west. The structure appears consistent across the proposed wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.
7. Also included on MRC Exhibit D-2 is a line of cross section from A to A’.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D

Submitted by: Matador Production Company
Hearing Date: July 25, 2024
Case No. 24613

8. **MRC Exhibit D-3** is a structural cross-section prepared displaying open-hole logs run over the Bone Spring formation from the three representative wells denoted from A to A'. For each well in the cross-section, the following logs are included: gamma ray, caliper, resistivity, and porosity, where available. The proposed target interval for the proposed well is labeled and marked with a yellow shaded area. The logs in the cross-section demonstrate that the targeted interval, within the Bone Spring formation, is consistent in thickness, across the entirety of the proposed spacing units.

9. In my opinion, the standup orientation is the preferred orientation for development in this area for Bone Spring wells because the maximum horizontal stress is east-west in this area.

10. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells within the Bone Spring formation in the area of the spacing unit proposed in this case.

11. In my opinion, each quarter-quarter section will be productive and contribute more-or-less equally to production from each horizontal spacing unit.

12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery.

13. Approving MRC's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

14. **MRC Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Blake Herber
BLAKE HERBER

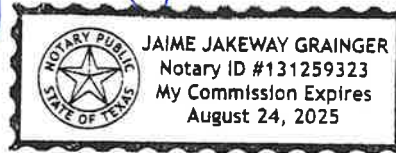
STATE OF TEXAS)
)
COUNTY OF DALLAS)

SUBSCRIBED and SWORN to before me this 9th day of July 2024 by Blake Herber.

Jaime Jakeway Grainger
NOTARY PUBLIC

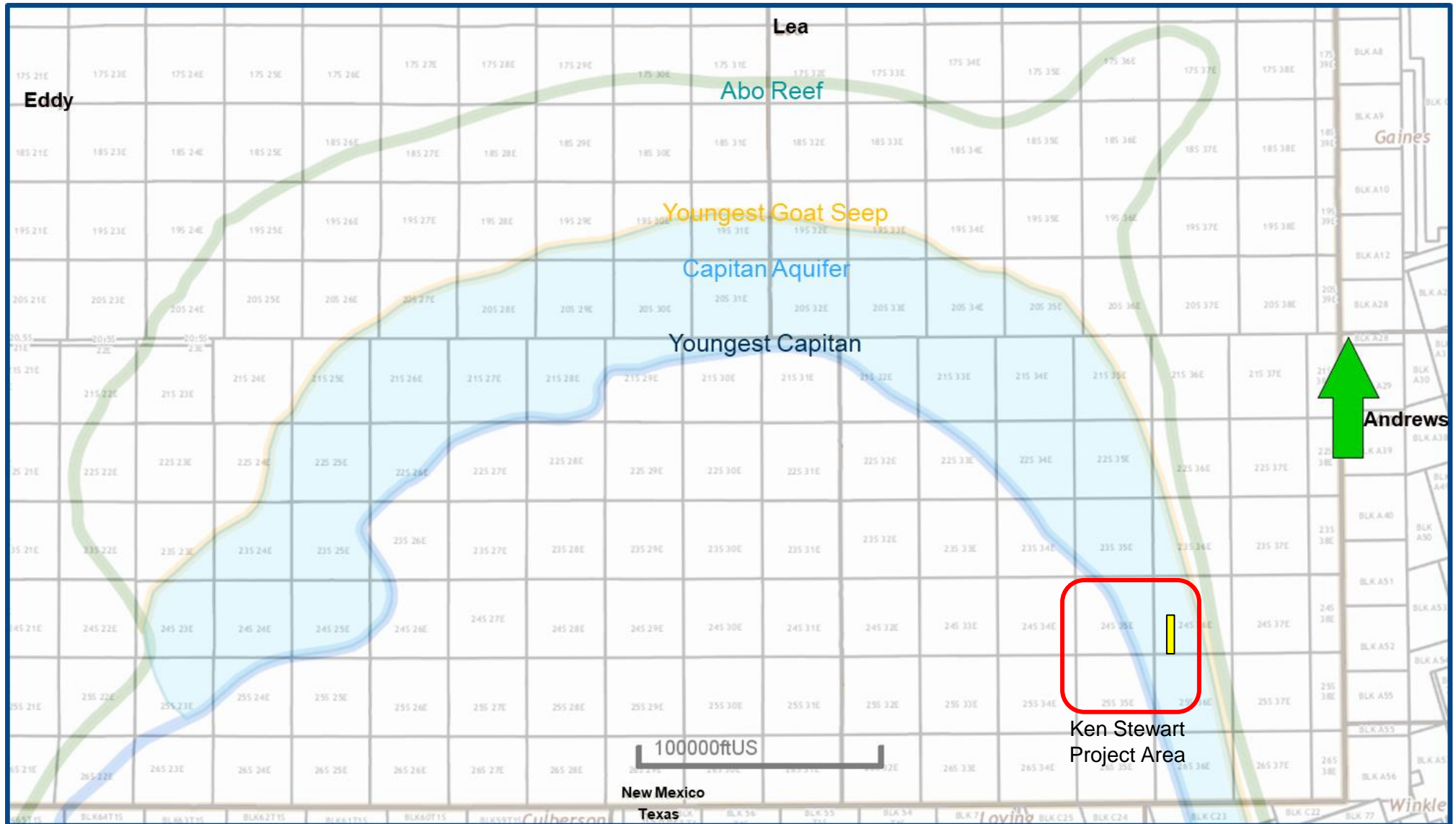
My Commission Expires:

8.24.2025



Locator Map

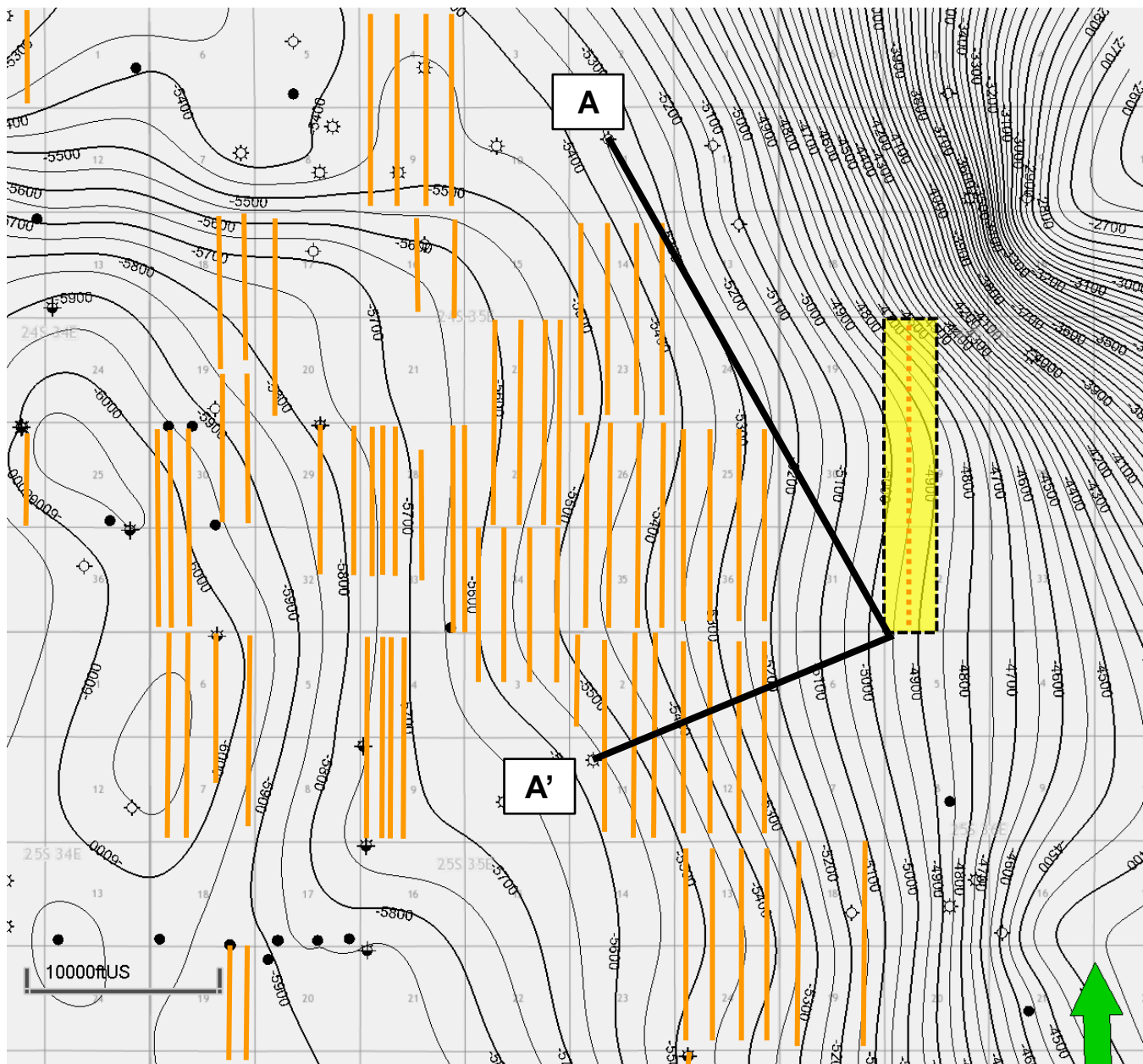
Exhibit D-1



WC-025 G-08 S253534O;BONE SPRING [97088]

Exhibit D-2

Structure Map (Top Bone Spring Subsea) A – A' Reference Line



Map Legend

Third Bone Spring Wells



Ken Stewart #135H



Project Area



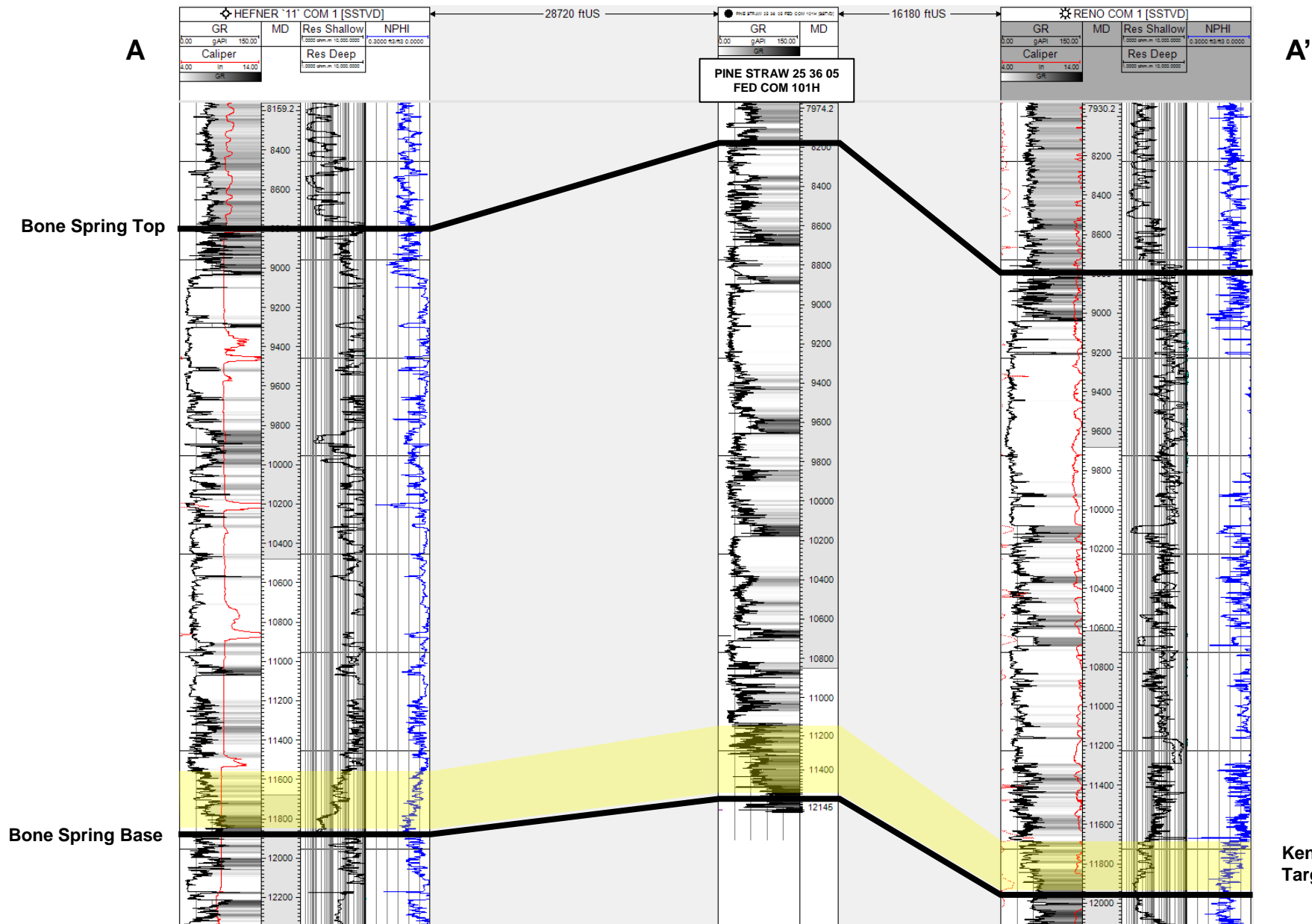
C. I. = 50'

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D-2
 Submitted by: Matador Production Company
 Hearing Date: July 25, 2024
 Case No. 24613



WC-025 G-08 S253534O;BONE SPRING [97088] Structural Cross-Section A – A'

Exhibit D-3



**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF MRC PERMIAN COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24613

**SELF-AFFIRMED STATEMENT OF
MICHAEL H. FELDEWERT**

1. I am attorney in fact and authorized representative of MRC Permian Company (“MRC”), the Applicant herein. I have personal knowledge of this matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of July 16, 2024.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statement are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Matador Production Company
Hearing Date: July 25, 2024
Case No. 24613**



Michael H. Feldewert

July 17, 2024

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

July 5, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of MRC Permian Company for Compulsory Pooling, Lea County,
New Mexico: K. Stewart Fed Com #135H well**

Ladies & Gentlemen:

This letter is to advise you that MRC Permian Company has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on July 25, 2024, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis St., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact David Johns at (972) 619-1259 or at djohns@matadorresources.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR MRC PERMIAN COMPANY

T 505.988.4421
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

MRC - K Stewart 135H, 211H, 212H wells - Case nos. 24613-24615
Postal Delivery Report

9414811898765460887134	Afton Lee Gille	6512 N Missouri Ave	Oklahoma City	OK	73111-7928	Your item was delivered to an individual at the address at 2:43 pm on July 11, 2024 in OKLAHOMA CITY, OK 73111.
9414811898765460887172	Billy G. Morris	1041 Black Champ Rd	Waxahachie	TX	75167-9331	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765460887318	Gulf Coast Western, LLC	14160 Dallas Pkwy Fifth Floor	Dallas	TX	75254-4319	Your item was delivered to an individual at the address at 10:31 am on July 11, 2024 in DALLAS, TX 75254.
9414811898765460887356	Heirs of Charles Bray	PO Box 1987	Norman	OK	73072-3030	We attempted to deliver your item at 12:32 pm on July 11, 2024 in NORMAN, OK 73072 and a notice was left because an authorized recipient was not available.
9414811898765460887363	Heirs of Jewel Don Bray	1513 SW 72nd St	Oklahoma City	OK	73159-3419	Your item arrived at the OKLAHOMA CITY, OK 73159 post office at 6:38 pm on July 11, 2024 and is ready for pickup.
9414811898765460887325	Roy D. Benningfield, Trustee of the Roy	2708 W 104th St	Perkins	OK	74059-4166	Your item was picked up at the post office at 3:28 pm on July 12, 2024 in PERKINS, OK 74059.
9414811898765460887301	Royalty Holding Company	3535 NW 58th St Suite 720	Oklahoma City	OK	73112-4801	Your item was delivered to an individual at the address at 10:53 am on July 11, 2024 in OKLAHOMA CITY, OK 73112.
9414811898765460887394	Wellbark Resources, LLC	PO Box 1987	Frisco	TX	75034-0034	Your item arrived at the FRISCO, TX 75034 post office at 11:32 am on July 11, 2024 and is ready for pickup.

Postal Delivery Report

9414811898765460881767	Jimmie Eden Jr. Trust	PO Box 17	Stillwater	OK	74076-0017	Your item arrived at the STILLWATER, OK 74076 post office at 8:55 am on July 11, 2024 and is ready for pickup.
9414811898765460881705	John F. Special	PO Box 369	Stillwater	OK	74076-0369	Your item was picked up at the post office at 10:05 am on July 11, 2024 in STILLWATER, OK 74074.
9414811898765460881743	Justin T. Crum	PO Box 3390	Roswell	NM	88202-3390	Your item arrived at the ROSWELL, NM 88202 post office at 8:36 am on July 12, 2024 and is ready for pickup.
9414811898765460881736	Larry Bond Living Trust dtd5/14/2015	1615 Drakestone Ave	Nichols Hills	OK	73120-1206	Your item arrived at the OKLAHOMA CITY, OK 73120 post office at 7:48 am on July 12, 2024 and is ready for pickup.
9414811898765460881774	Legat LLC	6114 W Canterbury St	Stillwater	OK	74074-1037	Your item was delivered to an individual at the address at 12:54 pm on July 11, 2024 in STILLWATER, OK 74074.

Postal Delivery Report

9414811898765460881965	LuAnn Youngman	12374 Lawndell St SW	Beach City	OH	44608-9771	Your item arrived at our AKRON OH DISTRIBUTION CENTER destination facility on July 14, 2024 at 3:24 pm. The item is currently in transit to the destination.
9414811898765460881903	Marjam Energy LLC	8150 N Central Expy Ste 1525	Dallas	TX	75206-1852	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765460881941	Milagro Resources LP	415 W Wall St Ste 1118	Midland	TX	79701-4439	Your item was delivered to an individual at the address at 2:21 pm on July 11, 2024 in MIDLAND, TX 79701.
9414811898765460881934	MLE LLC	1211 W Muirlands Dr	La Jolla	CA	92037-5506	We attempted to deliver your item at 12:43 pm on July 12, 2024 in LA JOLLA, CA 92037 and a notice was left because an authorized recipient was not available.
9414811898765460881613	Mountain Lion Oil & Gas LLC	7941 Katy Fwy PMB 117	Houston	TX	77024-1924	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

Postal Delivery Report

9414811898765460881651	Penasco Petroleum LLC	PO Box 4168	Roswell	NM	88202-4168	Your item was picked up at the post office at 10:49 am on July 12, 2024 in ROSWELL, NM 88201.
9414811898765460881620	Richard C. Deason	1301 Havenhurst Dr Apt 217	West Hollywood	CA	90046-4546	Your item was delivered to an individual at the address at 4:52 pm on July 11, 2024 in LOS ANGELES, CA 90046.
9414811898765460881699	Rolla R. Hinkle, III	PO Box 2292	Roswell	NM	88202-2292	Your item was picked up at the post office at 10:38 am on July 12, 2024 in ROSWELL, NM 88201.
9414811898765460881682	SAP LLC	4901 Whitney Ln	Roswell	NM	88203-9002	Your item is back at the ROSWELL, NM 88201 post office following a delivery attempt at 8:37 am on July 13, 2024 and is available for redelivery or pickup.
9414811898765460881118	The Lisa M. Enfield Trust dtd1/23/2015	465 Camino Manzano	Santa Fe	NM	87505-2833	Your item was forwarded to a different address at 9:24 am on July 11, 2024 in SANTA FE, NM. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.

Postal Delivery Report

9414811898765460881163	The McDaniel Company Inc	12900 Preston Rd Ste 415	Dallas	TX	75230-1353	Your item arrived at our DALLAS TX DISTRIBUTION CENTER destination facility on July 13, 2024 at 6:42 pm. The item is currently in transit to the destination.
9414811898765460881101	The Robert N. Enfield IrrevocableTrust B	PO Box 2431	Santa Fe	NM	87504-2431	Your item arrived at the SANTA FE, NM 87501 post office at 9:22 am on July 12, 2024 and is ready for pickup.
9414811898765460881149	The Ronald H. Mayer & Martha M. Mayer Revocable Trust dtd 3/19/1990	PO Box 2391	Roswell	NM	88202-2391	Your item was returned to the sender on July 12, 2024 at 9:57 am in ROSWELL, NM 88201 because the address was vacant or the business was no longer operating at the location and no further information was available.
9414811898765460881132	Thomas D. Deason	6402 Cr 7240	Lubbock	TX	79424	Your item was returned to the sender on July 13, 2024 at 10:15 am in LUBBOCK, TX 79464 because of an incomplete address.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

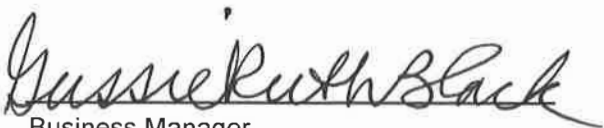
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
July 11, 2024
and ending with the issue dated
July 11, 2024.



Publisher

Sworn and subscribed to before me this
11th day of July 2024.



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE
July 11, 2024

Case No. 24613: Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Notice to all affected interest owners, including all heirs, devisees, and successors of: Afton Lee Gille; Billy G. Morris; Gulf Coast Western, LLC; Heirs of Charles Bray; Heirs of Jewel Don Bray; Roy D. Benningfield, Trustee of the Roy D. Benningfield Family Revocable Trust dated 9/16/1996; Royalty Holding Company; Wellbark Resources, LLC; Jimmie Eden Jr. Trust; John F. Special, Justin T. Crum; Larry Bond Living Trust dtd 5/14/2015; Legat LLC; LuAnn Youngman; Marjam Energy LLC; Milagro Resources LP, MLE LLC; Mountain Lion Oil & Gas LLC; Penasco Petroleum LLC; Richard C. Deason; Rolla R. Hinkle, III; SAP LLC; The Lisa M. Enfield Trust dtd 1/23/2015; The McDaniel Company Inc.; The Robert N. Enfield Irrevocable Trust B; The Ronald H. Mayer & Martha M. Mayer Revocable Trust dtd 3/19/1990; Thomas D. Deason. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on July 25, 2024, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Sheila Apodaca, Sheila.Apodaca@emnrd.nm.gov. Applicant in the above-styled cause seeks an order pooling a standard 960-acre, more or less, horizontal well spacing unit in the Bone Spring formation comprised of the W/2 of Sections 20, 29, and 32, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **K. Stewart Fed Com #135H** well, to be horizontally drilled from a surface location in the S/2 SW/4 of Section 32, with a first take point in the SW/4 SW/4 (Unit M) of Section 32 and a last take point in the NW/4 NW/4 (Unit D) of Section 20. The completed interval of the **K. Stewart Fed Com #135H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 7 miles northwest of Jal, New Mexico.
#00292164

67100754

00292164

HOLLAND & HART LLC
110 N GUADALUPE ST., STE. 1
SANTA FE, NM 87501

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Matador Production Company
Hearing Date: July 25, 2024
Case No. 24613